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RUEHLZ RUEHPW RUEHROV RUEHVK RUEHYG  
DE RUEHAH #1244 3230949  
ZNR UUUUU ZZH  
P 190949Z NOV 07 ZDK  
FM AMEMBASSY ASHGABAT  
TO RUEHC/SECSTATE WASHDC PRIORITY 9709  
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY  
RUCNCIS/CIS COLLECTIVE PRIORITY  
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY  
RUEHAK/AMEMBASSY ANKARA PRIORITY 2983  
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0801  
RUEHKO/AMEMBASSY TOKYO PRIORITY 0675  
RUEHIT/AMCONSUL ISTANBUL PRIORITY 1254  
RHMFIUU/CDR USCENTCOM MACDILL AFB FL PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY  
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RHEFDIA/DIA WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUEHBS/USEU BRUSSELS PRIORITY  
RUEHVEN/USMISSION USOSCE PRIORITY 1901  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0626

UNCLAS ASHGABAT 001244

SIPDIS

SENSITIVE  
SIPDIS

STATE FOR SCA/CEN, EEB  
PLEASE PASS TO USTDA DAN STEIN  
DOE FOR EKIMOFF/THOMPSON

E.O. 12958: N/A

TAGS: [PREL](#) [OGIV](#) [PREL](#) [ECON](#) [ENRG](#) [EINV](#) [TK](#) [TX](#)

SUBJECT: TURKMENISTAN FAVORS GENERAL ELECTRIC, DISTANCES  
ITSELF FROM CHALIK ENERGY

REF: A. ASHGABAT 1126  
[1](#)B. ASHGABAT 1014

[1](#)1. (U) Sensitive but unclassified. Not for public Internet.

[1](#)2. (SBU) SUMMARY: President Berdimuhamedov wants General Electric to participate in Turkmenistan's energy sector but without its current partner Chalik Energy, clear evidence that the president is continuing to distance himself from Ahmet Chalik, a favorite of former President Niyazov. END SUMMARY.

[1](#)3. (U) Charge met November 17 with General Electric Infrastructure/Energy President for Central and Eastern Europe, Russia, and the CIS Rod Christie and two of his colleagues. They had just finished meeting with President Berdimuhamedov and were waiting to see Deputy Prime Minister for Oil and Gas Tagiyev. GE has been working in Turkmenistan since 1995 and in partnership with Chalik Energy since 2001.

[1](#)4. (SBU) Berdimuhamedov told Christie he wants GE

-- to start servicing directly the equipment it installed as a sub-contractor to Chalik Energy and start providing spares and replacement parts because, under Chalik Energy, it hasn't been properly maintained and serviced;

-- to establish a training program for Turkmenistanis so that they learn how to take care of high-tech equipment;

-- to know Turkmenistan is placing high priority on electricity generation, including solar energy, and telecommunications; and

-- to have a direct relationship with the government of Turkmenistan rather than work through partnership with another company.

15. (SBU) Christie said the last point is significant because it is clear evidence Berdimuhamedov wants to limit the role of Chalik Energy in Turkmenistan (reftels). Christie commented this is awkward because Chalik Energy has been a good partner, but he will be fully transparent with Ahmet Chalik, who, in any case, already knows the score and is working to diversify into Russia.

16. (SBU) Christie said GE is participating in the tender for two major gas turbines for electricity production near Ashgabat, and will submit proposals for a similar project at Turkmenbashi and its neighboring Avaza Free Tourist Zone. GE will also consider Berdimuhamedov's request for solar-power generation at Avaza. Christie commented solar power is becoming "fashionable" in Central Asia, even though it's hugely expensive.

17. (SBU) COMMENT: This is good news for General Electric, bad news for Chalik Energy. The Turkish parent company Chalik Holding has had three branches in Turkmenistan: Chalik Textiles, Chalik Construction, and Chalik Energy. Only Chalik Textiles has so far not suffered a sharp decline. Berdimuhamedov is continuing to distance himself from Chalik Holding CEO Ahmet Chalik, who was a favorite confidante of former President Niyazov. END COMMENT.  
HOAGLAND